



ADVOCACY

RESEARCH

EDUCATION

National Conference on Public Employee Retirement Systems
The Voice for Public Pensions

2024 Presentation to the Ohio Legislature

Hank Kim, Esq.

Executive Director & Counsel



National Conference on Public Employee Retirement Systems

- **NCPERS is the largest nonprofit trade association representing approximately 500 public sector DB plans, plan sponsors, and stakeholders that have approximately \$4 trillion in assets.**
- **Who we *ARE*:**
 - ***A*dvocacy**
 - ***R*esearch**
 - ***E*ducation**
- **www.NCPERS.org**

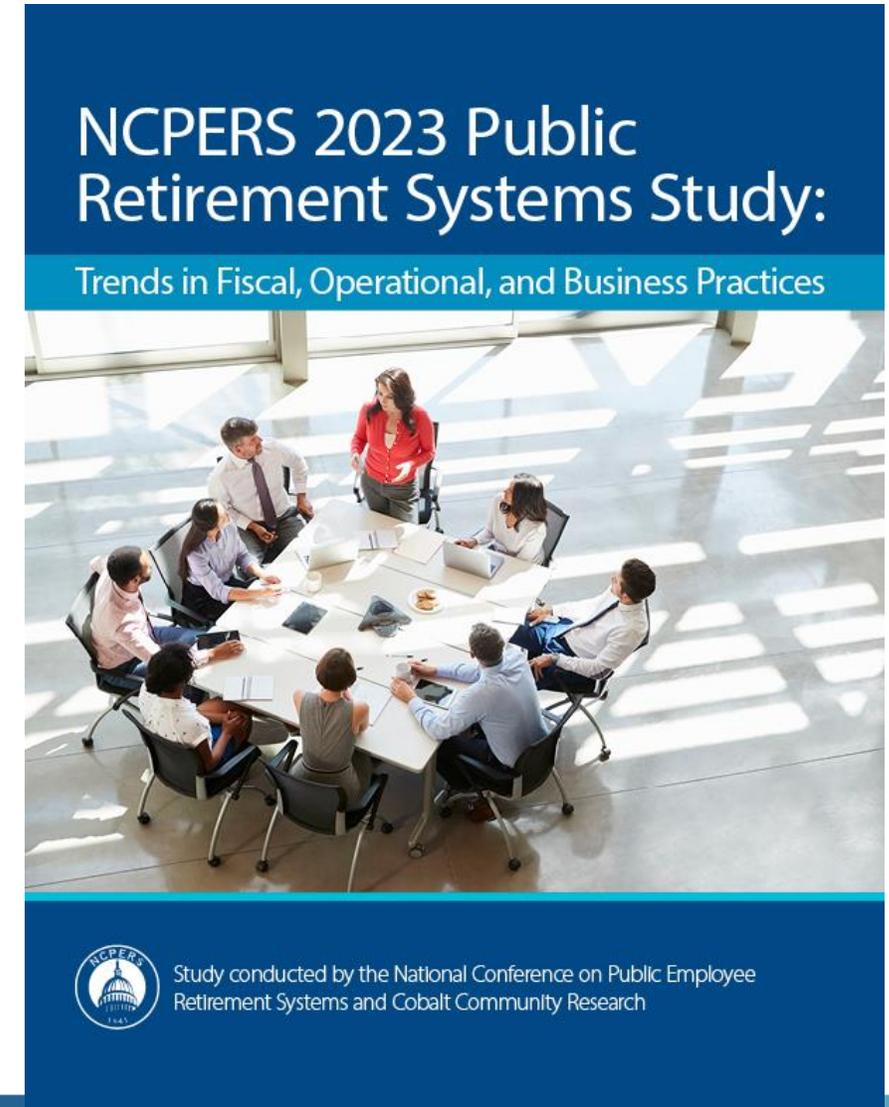
Public Pension History

- Public pensions have been around for more than 150 years.
 - 1857 New York state established lump sum benefit for NYC police.
 - 1866 FDNY gets lump sum LOD benefit.
 - 1878 Proto pension for NYC police & fire.
 - Many statewide public plans established soon after 1935.

[The Evolution of Public Pension Plans: Past, Present and Future](#), NCPERS, 2008

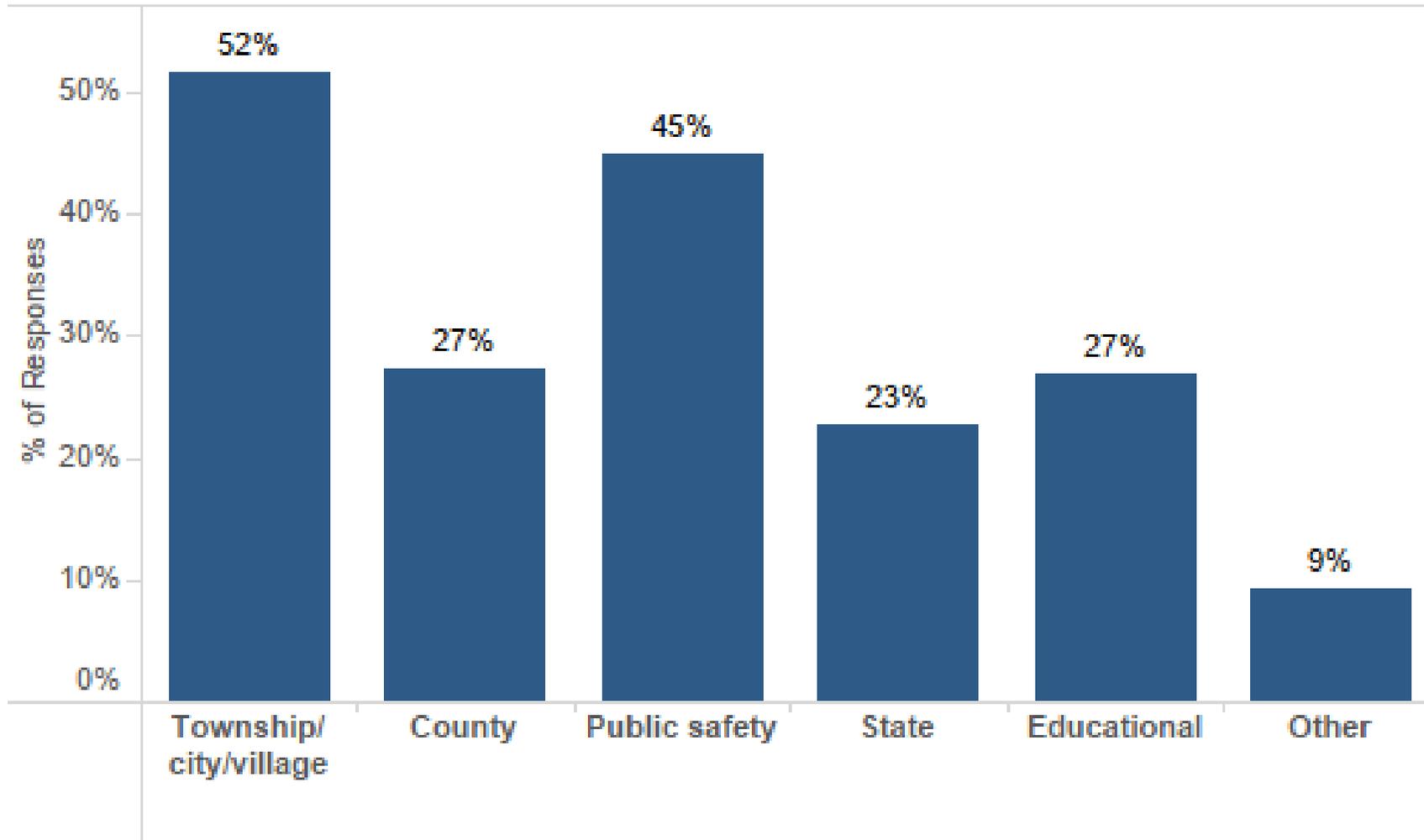
2023 NCPERS Public Retirement Systems Study

- www.ncpers.org/surveys
- 12th year comprehensive study
- Explore public sector retirement practices
- Analyze the most current data available on retirement funds' current fiscal condition and steps they are taking to ensure fiscal and operational integrity
- Identify best practices and strategies for lowering unfunded actuarial accrued liability



Who Responded

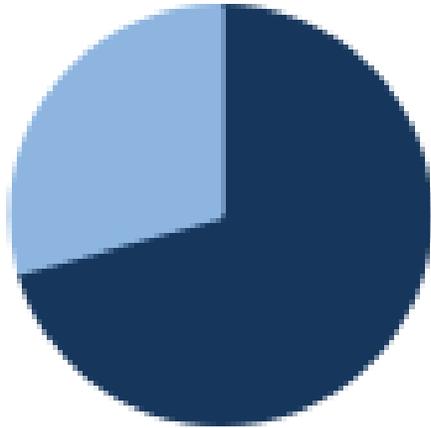
Employee/Retiree Type



Who Responded

Members' Social Security Eligibility

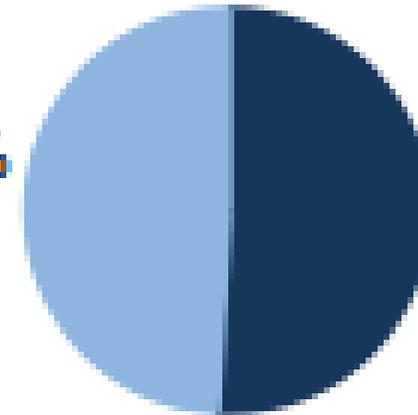
Not eligible for SS
29%



Eligible for SS
71%

Inclusion of Overtime in Benefit Calculation

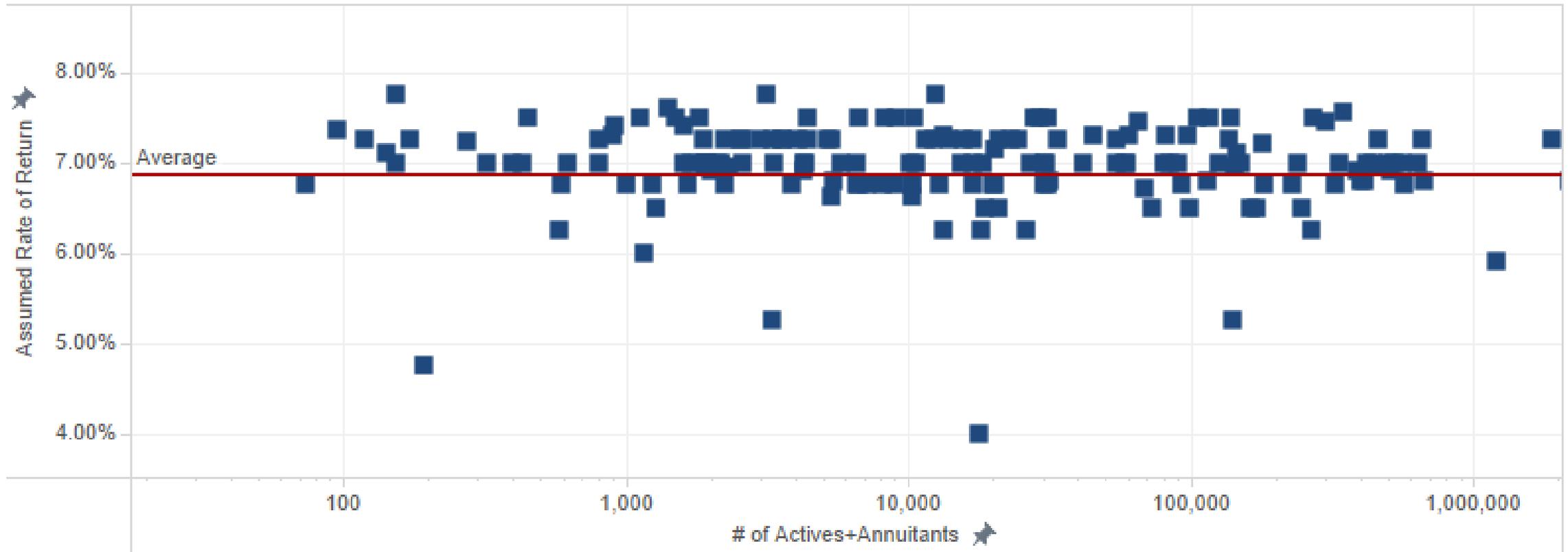
No
49%



Yes
51%

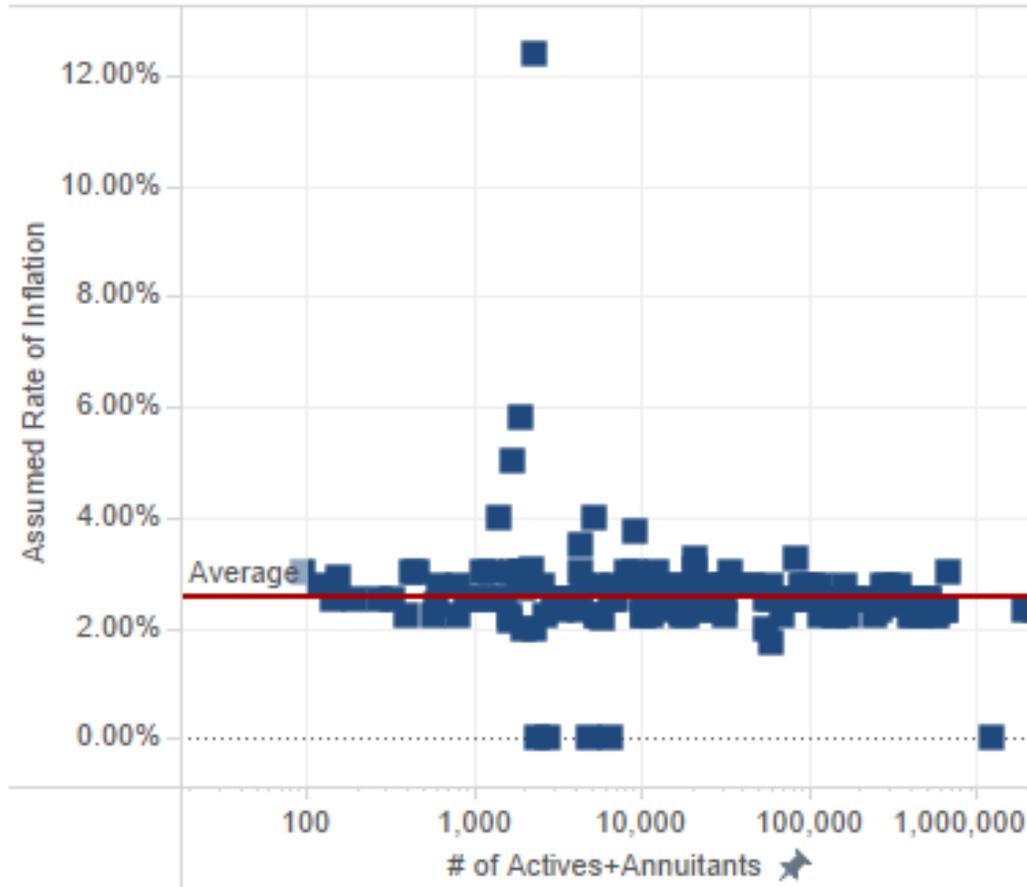
Economic Assumptions Total

Investment Assumption

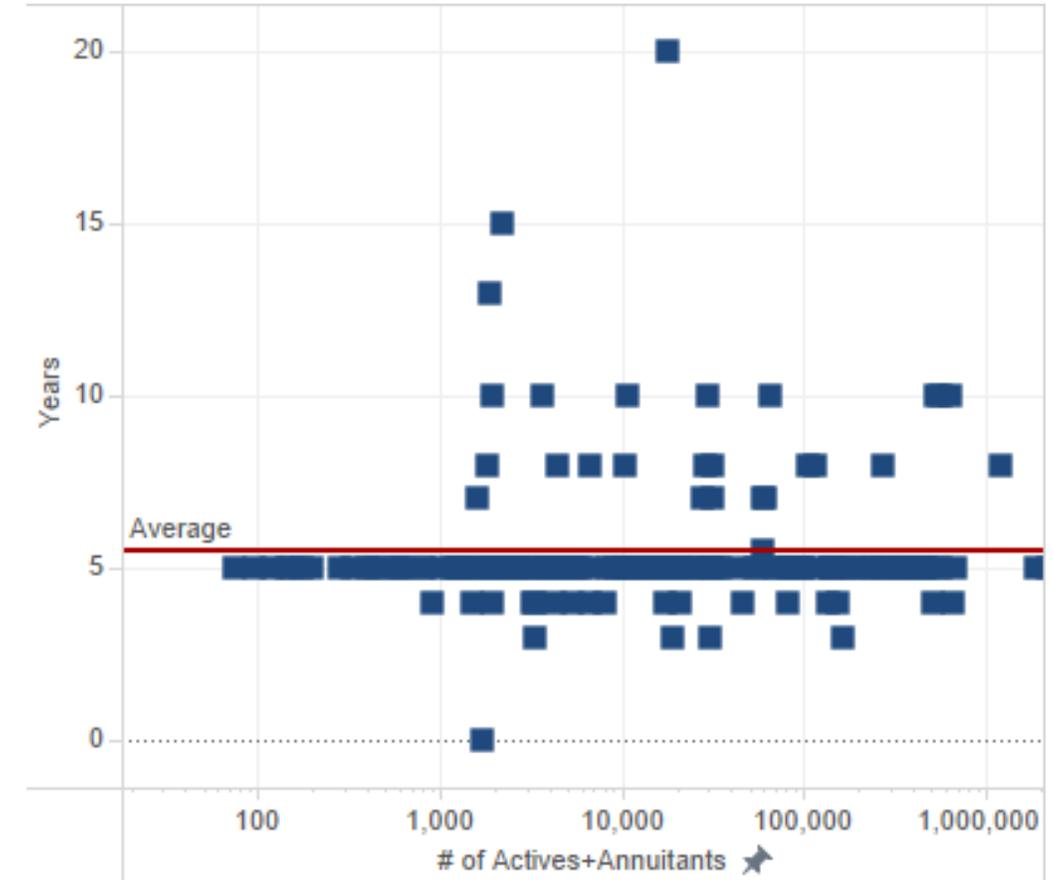


Economic Assumptions Total

Inflation Assumption



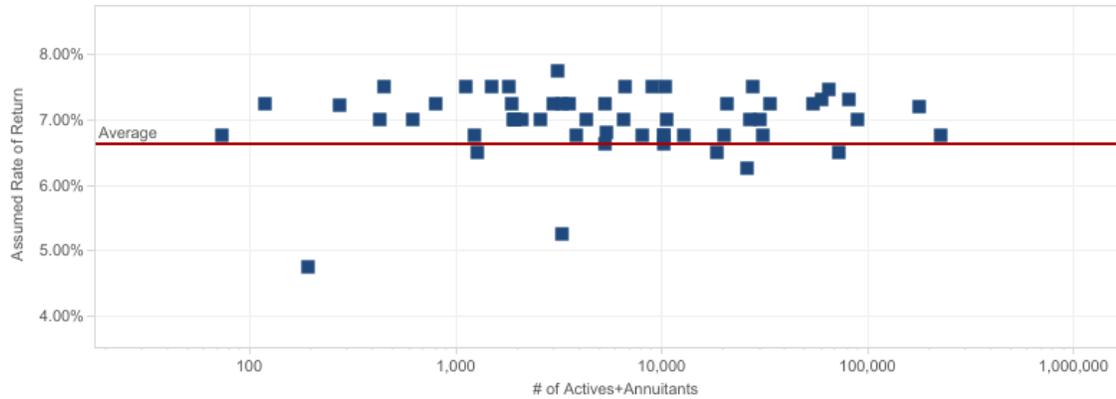
Investment Smoothing



Economic Assumptions Public Safety

Assumptions

Investment Assumption



Using These Filters

Select the filters on each page to explore the data. Filter each page separately. Reset your filters or click the back arrow to undo. Hover your mouse over any data point for more information.

Prior Year Participant

- No
- Yes

Study Year

- 2021
- 2022

SS Eligibility

- No Response
- Eligible for SS
- Not eligible for SS

Total Participants

- Null
- 10k-100k
- 100k+
- <10k

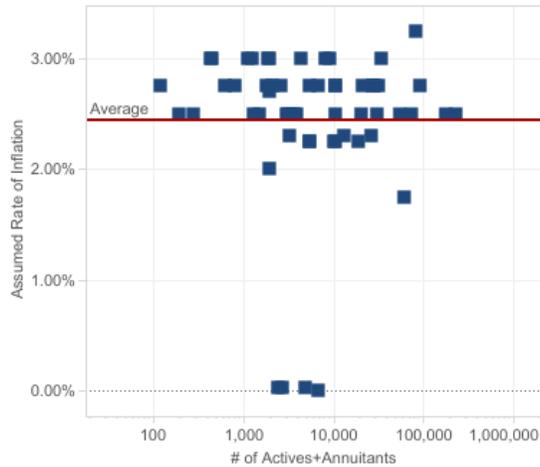
Fiscal year end (Month):

All

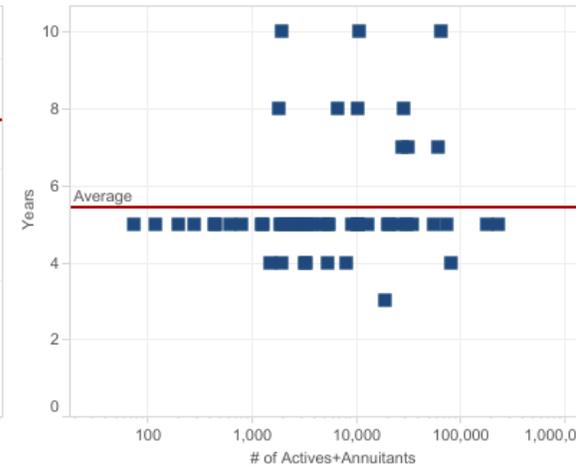
Type of Employee/Beneficiary

- | | |
|--|--|
| Local | County |
| <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> No |
| <input checked="" type="checkbox"/> Local (townshi.. | <input checked="" type="checkbox"/> County |
| Public safety | State |
| <input type="checkbox"/> No | <input checked="" type="checkbox"/> No |
| <input checked="" type="checkbox"/> Public safety | <input checked="" type="checkbox"/> State |
| Educational | Other |
| <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> Educational | <input checked="" type="checkbox"/> Other |

Inflation Assumption

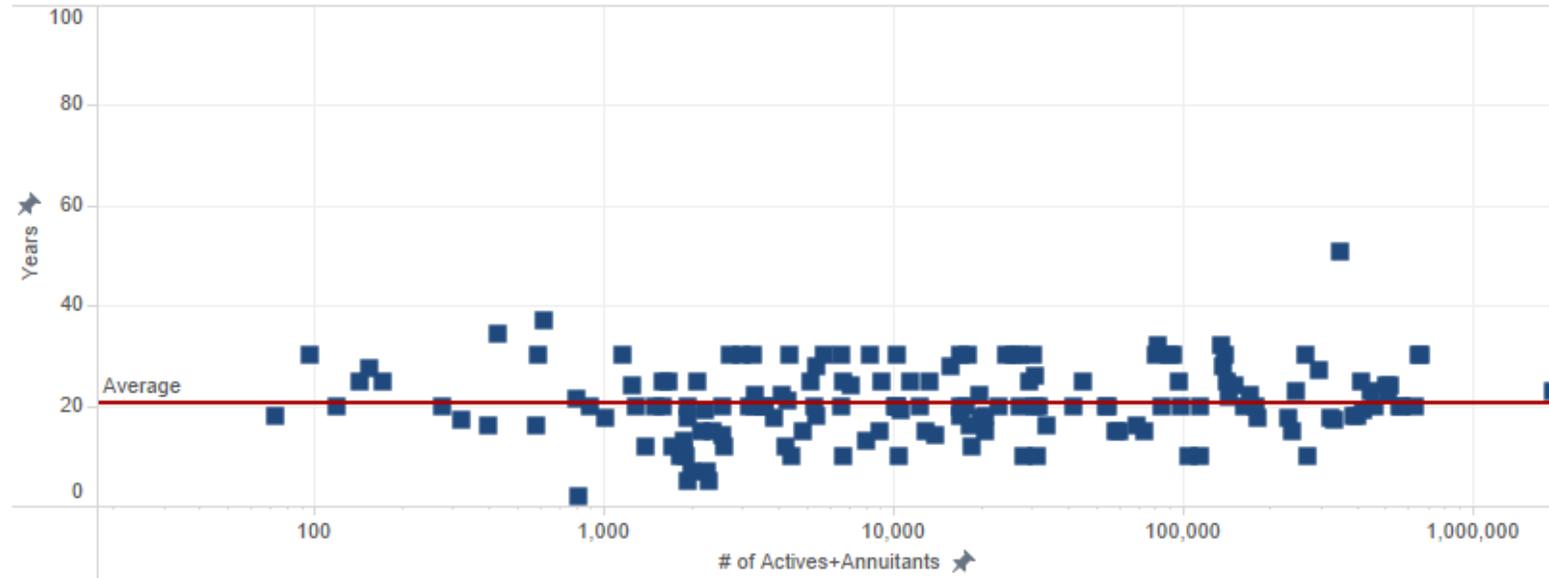


Investment Smoothing

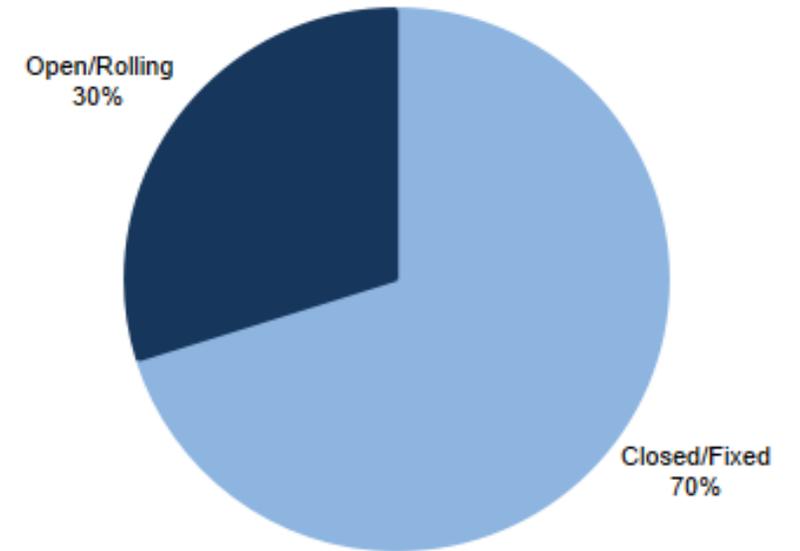


Amortization Total

Amortization Period



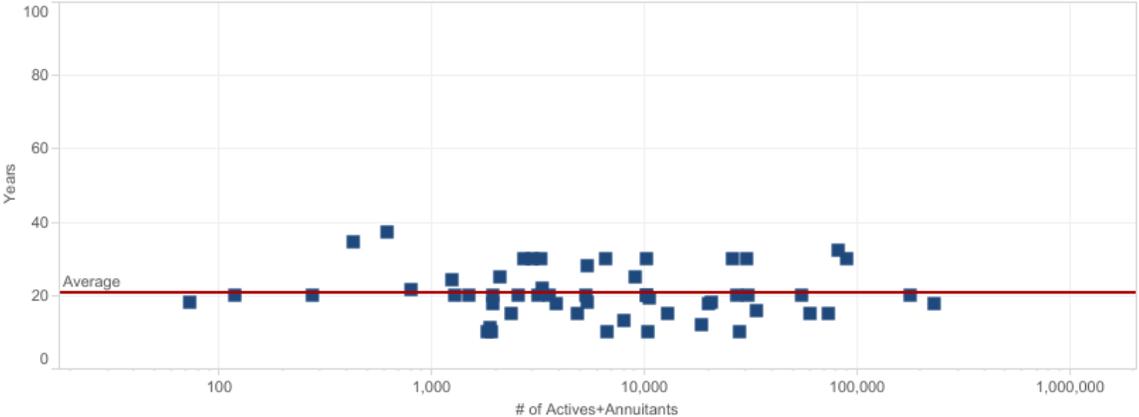
Type of Amortization Period



Amortization Public Safety

Amortization Assumptions

Amortization Period



Using These Filters

Select the filters on each page to explore the data. Filter each page separately. Reset your filters or click the back arrow to undo. Hover your mouse over any data point for mor..

Prior Year Participant

No

Yes

Study Year

2021

2022

SS Eligibility

No Response

Eligible for SS

Not eligible for SS

Total Participants

Null

10k-100k

100k+

<10k

Fiscal year end (Month):

All

Type of Employee/Beneficiary

Local

No

Local (townshi..

County

No

County

Public safety

No

Public safety

State

No

State

Educational

No

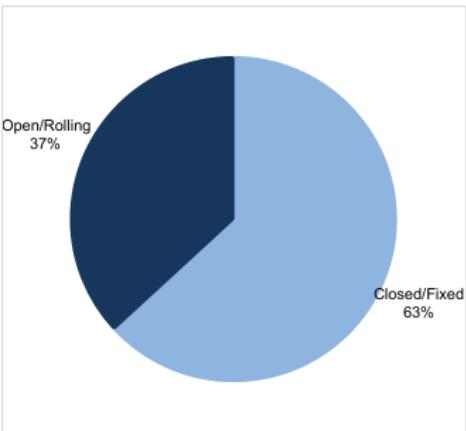
Educational

Other

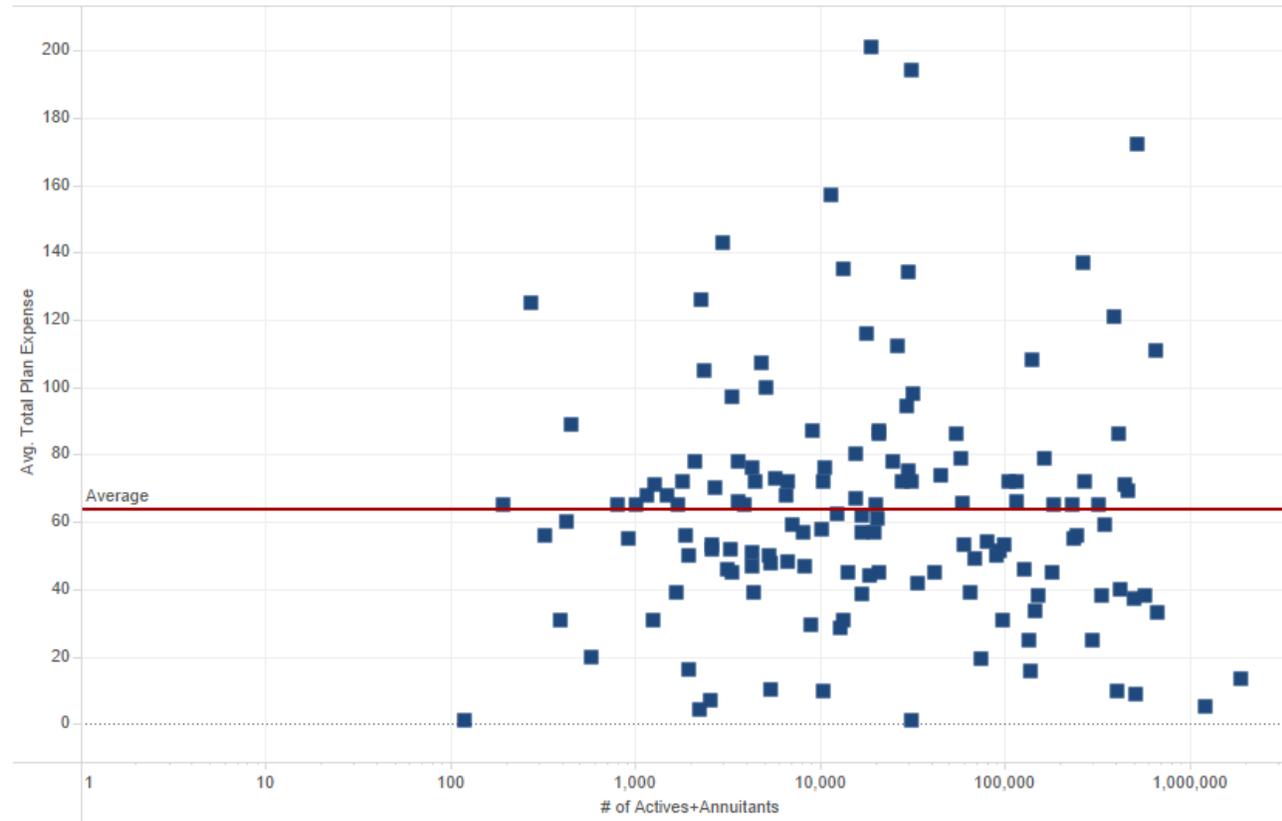
No

Other

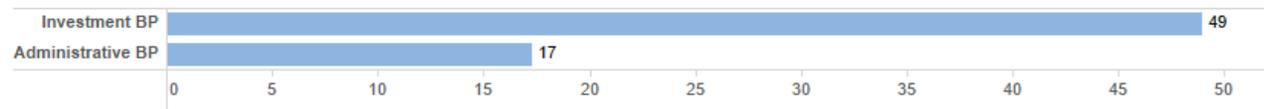
Type of Amortization Period



Plan Expenses Total



Average Fund Expenses (Basis Points)



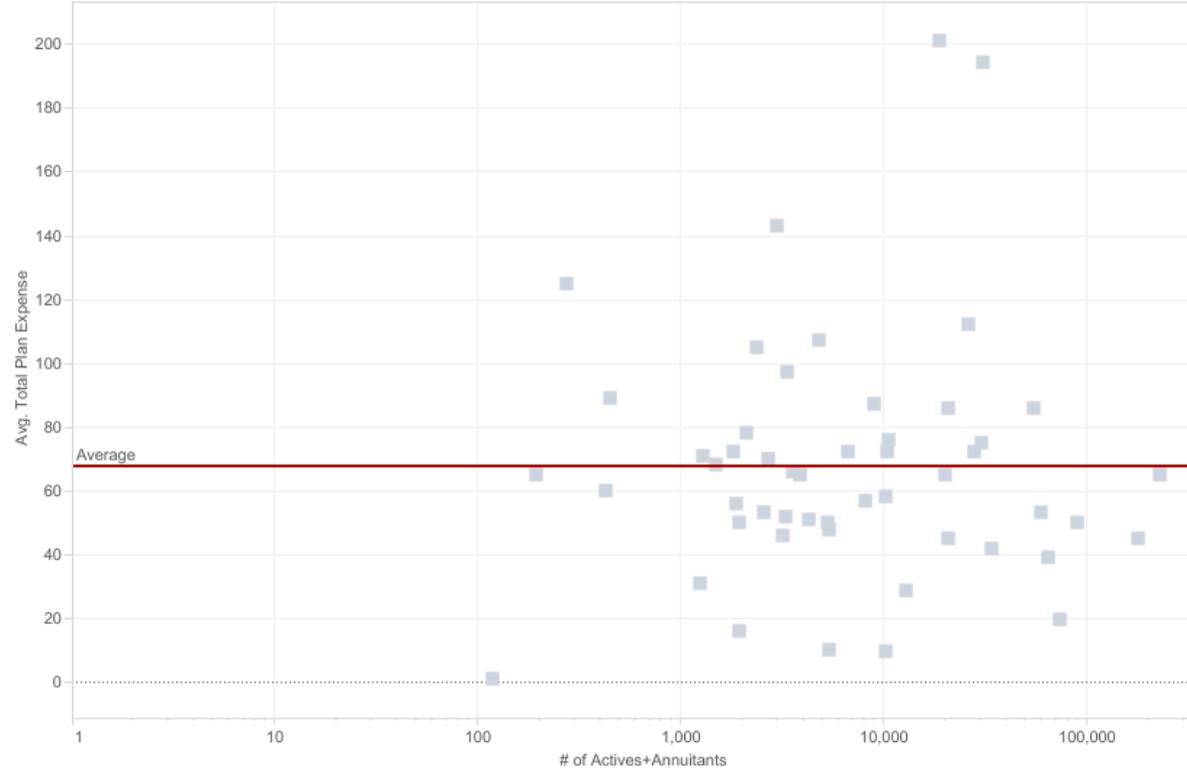
Plan Expenses Public Safety

Expenses

Study Plan Expenses



Plan Expense by Fund Size



Using These Filters

Select the filters on each page to explore the data. Filter each page separately. Reset your filters or click the back arrow to undo. Hover your mouse o..

Prior Year Participant

- No
- Yes

Response Year:

- 2021
- 2022

SS Eligibility

- No Response
- Eligible for SS
- Not eligible for SS

Total Participants

- Null
- 10k-100k
- 100k+
- <10k

Fiscal year end (Month):

All

Type of Employee/Beneficiary

- | | |
|---|--|
| Local | County |
| <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> No |
| <input checked="" type="checkbox"/> Local (towns... | <input checked="" type="checkbox"/> County |

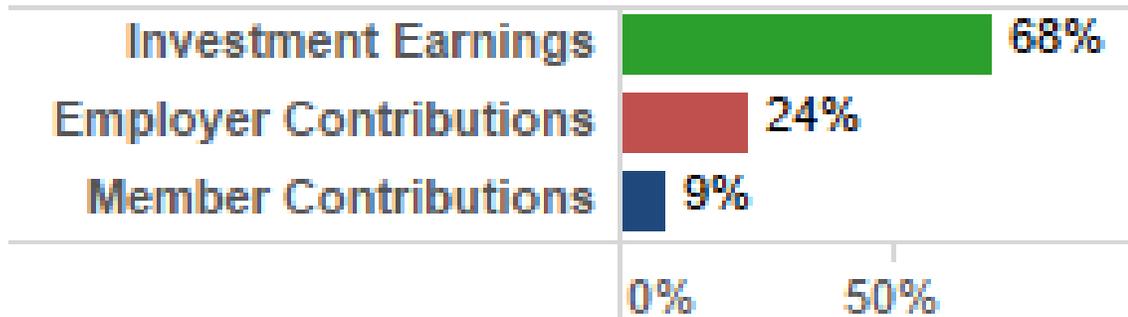
Public safety State

- | | |
|---|---|
| <input type="checkbox"/> No | <input checked="" type="checkbox"/> No |
| <input checked="" type="checkbox"/> Public safety | <input checked="" type="checkbox"/> State |

Educational Other

- | | |
|--|---|
| <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> Educational | <input checked="" type="checkbox"/> Other |

Sources of Revenue Total

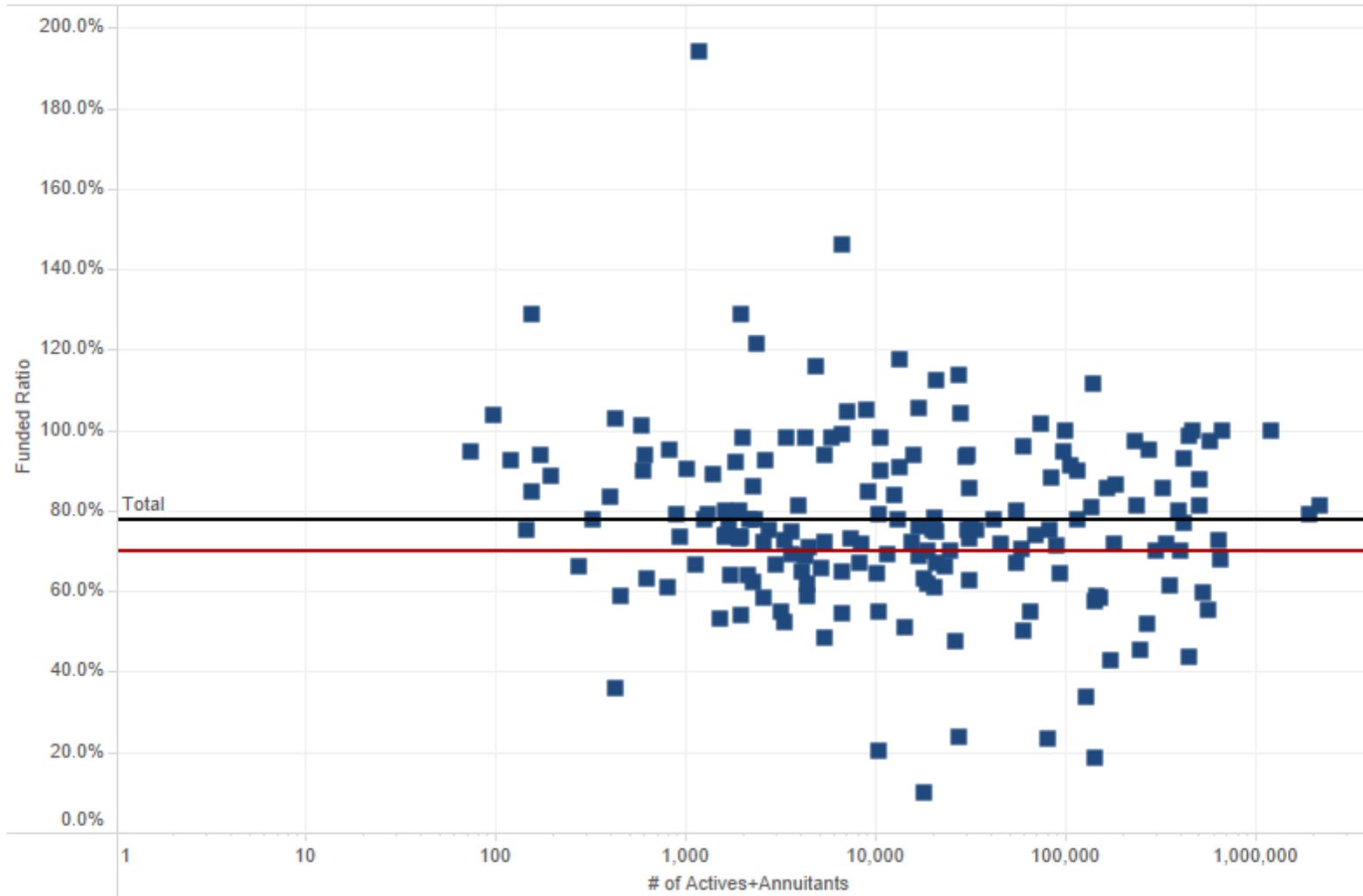


Percentage of Payroll

	2021	2022
Member Contributions	8%	9%
Employer Contributions	23%	24%
All Contributions	32%	32%

Funded Status Total

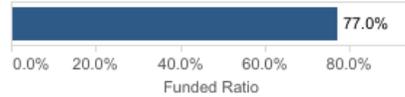
Funded Level Distribution



Funded Status Public Safety

Funding Levels

Funded Levels



Overall Sources of Revenue



Percentage of Payroll

	2022
Member Contributions	10%
Employer Contributions	28%
All Contributions	38%

Using These Filters

Select the filters on each page to explore the data. Filter each page separately. Reset your filters or click the back arrow to undo. Hover your mouse over any dat..

Response Year:

- 2021
- 2022

Prior Year Participant

- No
- Yes

Total Participants

- Null
- 10k-100k
- 100k+
- <10k

Fiscal year e..

All

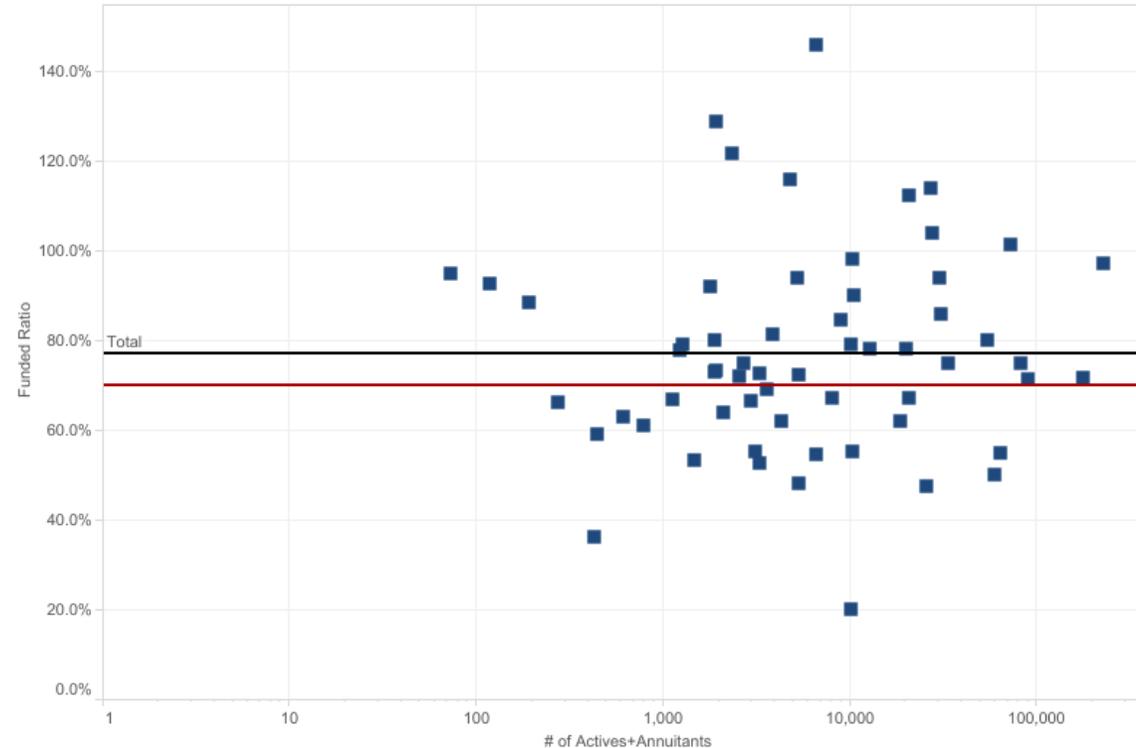
SS Eligibility

- No Response
- Eligible for SS
- Not eligible for SS

Type of Employee/Beneficiary

- | | |
|--|--|
| Local (twp/ci.. | County |
| <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> No |
| <input checked="" type="checkbox"/> Local (towns.. | <input checked="" type="checkbox"/> County |
| Public safety | State |
| <input type="checkbox"/> No | <input checked="" type="checkbox"/> No |
| <input checked="" type="checkbox"/> Public safety | <input checked="" type="checkbox"/> State |
| Educational | Other |
| <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> No |
| <input type="checkbox"/> Educational | <input checked="" type="checkbox"/> Other |

Funded Level Distribution



Bottom Line

Funds continue to tighten assumptions

The trend of public funds becoming more cost effective continues

Responding funds have funded levels that are sustainable

Income used to fund pensions come from three sources:
investment returns 68%, employer contributions 24%, and member contributions 9%.

American Retirement Landscape

Private Sector Plans

- \$3.093 Trillion in defined benefit plans
- \$8.446 Trillion in defined contribution plans

State/Local Plans

- \$5.424 Trillion in defined benefit plans
- \$ 454 Billion in defined contribution plans

Federal Plans

- \$2.451 Trillion in defined benefit plans
- \$ 781 Billion in defined contribution plan

[Financial Accounts of the United States](#), U.S. Federal Reserve, December 2023 (3d Quarter 2023)

Total US Workforce 157.2 million

Private Sector

- 134.2 million employed
- 85.4 percent of the workforce
- \$11.5 Trillion total saved for retirement

State/Local

- 20.0 million employed
- 12.7 percent of the workforce
- \$5.9 Trillion total saved for retirement

Federal

- 3.0 million employed
- 1.9 percent of the workforce
- \$3.2 Trillion total saved for retirement

[The Employment Situation](#), U.S. Bureau of Labor Statistics, December 2023

Q&A?

Thank You!

Hank Kim, Esq.
Executive Director & Counsel
202-601-2445
hank@ncpers.org

NCPERS
1201 New York Avenue, NW
Suite 850
Washington, DC 20005
www.NCPERS.org